



Department of Transportation

PASSENGER and FREIGHT RAIL ASSISTANCE PROGRAM (PFRAP) FREQUENTLY ASKED QUESTIONS Updated August 15, 2023

General Project Eligibility

Q: *Am I required to provide matching funds?*

A: PFRAP grants may provide up to 100% of total project costs, however, the proportion of voluntary matching funds constitutes 15% of the project score. Therefore, projects with matching funds will be more competitive than those without matching funds. Class I railroad applicants are encouraged to provide no less than a 50% match.

Q: *Can I apply for a project to be constructed on land which I, as the applicant, do not own?*

A: It depends on your interest in the property, as follows:

YES. If you as the Applicant lease the land and the lease term remaining after acceptance of the Project facilities by the STATE is greater than the time period of the contractual maintenance and operations obligation in the Agreement (10 years PFRAP).

YES. If you lease the land as above, but the lease term remaining is less than the time period AND if you provide a letter from the landowner in which the landowner agrees to assume the maintenance and operations obligation in the Agreement timeframe noted above.

YES. If you are a public sponsor of a project by a non-rail carrier, and the sub-recipient owns the property or satisfies either of the two conditions above.

YES. If you have a binding letter of intent or contract for the purchase or lease of the property upon which the project will be constructed.

NO. If you do not have any lease, title, interest or easement in the property to be improved.

Q: *Are there any special requirements when the project includes right-of-way acquisition?*

A: YES. Any real property acquired for the project by a government entity or common carrier railroad must be acquired in conformance with the Uniform Act (49 CFR Part 24), regardless of whether New York State Department of Transportation

(NYSDOT) participates in the cost of the property acquisition. (Note that the Uniform Act does not apply to eligible applicants that lack the power of condemnation or eminent domain).

Projects where NYSDOT participates in the cost of real property acquisition also require a customized agreement. Unlike capital assets, real estate does not depreciate over time, so NYSDOT's financial interest in any real property acquired with PFRAP funding is perpetual. This perpetual interest must be reflected in both the grant agreement and a deed covenant providing that NYSDOT is refunded its pro-rata share of any future sale proceeds.

Q: *Is there a limit to the number of PFRAP grants awarded to an applicant?*

A: YES. Applicants are limited to three (3) PFRAP awards for this solicitation. NYSDOT also limits the number of PFRAP projects awarded to affiliated companies to eight (8). Affiliated companies are those under common ownership or control.

Q: *Can a local municipality submit for bridge repairs for a bridge over the railroad?*

A: Generally NO.. PFRAP projects must provide a benefit to rail or port infrastructure to qualify. The exception would be if the clearance under the bridge did not meet current standards and the scope of the project includes raising the bridge to meet current standards.

Q: *Would construction of a rail trail on a rail-banked corridor be eligible?*

A: NO.. PFRAP projects must provide a benefit to active rail or port infrastructure to qualify.

Q: *Would rehabilitation of private access roads within an industrial park be eligible under PFRAP?*

A: YES, if the roadways can be tied to the ability to load and unload railcars on the site.

Port Funding Eligibility

Q: *Are passenger ferry or public marina facilities eligible for the port funding?*

A: NO. For the purposes of the PFRAP program, a Port is defined as: "Shoreline-based facilities for the loading and unloading of bulk cargo and shipping containers from barge or ship, facilities for the storage of cargo or containers in transit, and facilities for the transfer of cargo or containers to land-based transportation."

Clean Diesel Funding Eligibility

Q: *Would the program allow for a freight railroad to trade in existing/owned older diesel locomotives for newer, higher Tier emission standard used locomotives?*

- A: YES. If the trade in/purchase meets the objectives of the NYS Rail Plan, the project can demonstrate a reduction in diesel emissions, and the purchased locomotives have a minimum service life of 10 years. The available Benefit/Cost Ratio calculation tool contains the methodology for calculating the anticipated diesel emissions reductions.
- Q: *If so, would the trade in value of the currently owned locomotive be acceptable as matching funds?*
- A: NO. The PFRAP program only allows cash contributions to qualify as matching funds. Include the trade-in value of the locomotive in the project estimate as a credit against project costs in the same manner an infrastructure project would value scrap or salvage materials, such that the total project cost is net of the trade-in value.
- Q Does the existing diesel engine need to be scrapped?
- A: NO. As long as the project achieves EPA Tier III or better, the existing prime mover can be reused.
- Q: *Do locomotives procured through this program need to be solely used/operated within NY state at all times, or is there a percentage of time they should be operated in NY state?*
- A: NYSDOT will require that locomotives procured through this program be based in New York and spend a significant majority of their operating hours in New York. However, NYSDOT recognizes that both the interstate nature of rail transportation and unplanned operational situations make a strict, 100% New York use rule impractical. Railroads with interstate operations should discuss the controls they will put in place to maximize the use of the locomotive in New York and, if possible, estimate percentage of time a locomotive would spend outside New York within their application.
- Q: *Are locomotives procured under this program restricted to non-attainment areas? If so, what are those areas?*
- A: NO. The non-attainment area restriction does not apply to this State Funded Program. NYSDOT will consider the non-attainment status of the locomotive operating area during the review of applications, incorporating that into the "Process" scoring factor. Information regarding non-attainment areas can be found at https://www3.epa.gov/airquality/greenbook/anayo_ny.html
- Q: *How long would a short line railroad have to retain locomotives procured through this program and keep them operational?*
- A: All projects funded through PFRAP are required to have a minimum service life of 10 years.

Project Scoring

Q: *Will the Regional Economic Development Councils (REDC) be involved in the scoring and selection process for PFRAP applications?*

A: NO. In the application, relate the project to the Strategic Plan developed by the local REDC; however, the scoring and ranking for the PFRAP program will be performed exclusively by NYSDOT.

Q: *Are all Sections of the Application scored equally?*

A: NO. Each of the sections of the Application has its own weight in the scoring. See the Program Guidelines and Application Instructions for the weights of each section of the PFRAP Application.

Project Awards

Q: *Is there a maximum award size?*

A: YES. NYSDOT has implemented a maximum award of \$10.0 million per project application for this solicitation.

Project Implementation

Q: *How does the PFRAP program account for grantee matching funds?*

A: Once a grant agreement has been fully executed, the grantee will submit periodic invoices to NYSDOT reflecting 100% of the eligible project costs. NYSDOT will then reimburse its pro-rata share of the project, based on the percentage of match indicated in the application. For example, consider a project with a total cost of \$1.0 million, and the application requests an \$800,000 grant with a \$200,000 matching share, representing a 20% match. As the project progresses, the sponsor will invoice NYSDOT for all costs incurred and NYSDOT will reimburse 80% of those costs up to the grant amount of \$800,000. A simplified invoice might look like this:

Work this period	\$15,000	Equipment
	\$25,000	Force Account Labor
	\$30,000	Materials Installed
	<u>\$30,000</u>	3 rd Party Contractors
	\$100,000	TOTAL Expenses this period
Minus Grantee Matching Share	<u>(\$20,000)</u>	(\$100,000 x 0.20)
NYSDOT Reimbursement	\$80,000	

Application Form

General

Q: *Can I use the same application that I submitted for PFRAP funding in prior year solicitations?*

A: NO. While the questions are similar, there have been changes to the PFRAP application form for 2023. For the majority of the 2023 application, you can copy your answers from your prior year application. Please read each question carefully to ensure that it has not changed **and that your answers are still appropriate to the 2023 PFRAP solicitation**. NYSDOT will make copies of applicant's prior PFRAP application forms available upon request via email to rail@dot.ny.gov.

Part B: Applicant Information

Q: *I don't have an SFS (State Financial System) Vendor ID. Can I still apply for funding?*

A: YES. An SFS Vendor ID is assigned by the Office of the State Comptroller to every entity who does business with the State of New York. Not having an SFS Vendor ID will not preclude you from applying for funding or being named a successful applicant; however, you will be required to obtain an SFS Vendor ID as a prerequisite to entering into a contract with NYSDOT.

Q: *I don't have a NYS Grants Gateway ID. Can I still apply for funding?*

A: YES. The Grants Gateway is an on-line system for managing New York State grant programs. Registered vendors have the ability to search for (or sign up for

email notification of) grant opportunities. Future functionality will include the ability to submit applications, e-sign contracts, and submit payment vouchers all online. While not required for this solicitation, you will be required to register in Grants Gateway as a prerequisite to entering into a contract with NYSDOT. In addition to registering, not-for-profit organizations must also be prequalified in Grants Gateway prior to entering into a contract with NYSDOT. See www.GrantsManagement.ny.gov for more information.

Part L: Finalize and Submit Completed Application

Q: *Can I print out the application, complete it by hand, and mail it to NYSDOT?*

A: NO. All applications must be submitted on-line by using the web application. Required attachments and other supporting documents should be of common business formats (pdf, doc, xls, etc.) and must be attached to the application using the fields provided.

Q: *How do I/we know that our application(s) has/have been submitted successfully? Will NYSDOT provide electronic confirmation that our application(s) has/have been received?*

A: After submitting your application, you will receive an auto-generated reply confirming receipt of your application materials. Retain this email for your records.

Q: *I need to change one of our responses, but the fields are locked and can't be changed.*

A: The fields are locked when you click on the "Submit" button for both the preapplication and main application. When submitted for digital signature, all fields have been locked. After the "Submit" button has been selected, the only means to revise an answer is to start over with a new application.